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Town Of Mclennan Housing Survey. June 19
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PUBLIC HOUSING INVESTIGATION

TOWN OF McLENNAN

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TOWN OF McLENNAN

HOUSING SURVEY

Research Division
June 1971

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RESUME

Resolution of Council

A resolution dated December 9, 1970 was passed by the Council of the Town of McLennan requesting an investigation into a public housing project.

Purpose of the Report

The purpose of this report is to advise the Board on the feasibility of a public housing project for the Town of McLennan.

Recommendations

A community housing survey indicated that inadequate demand existed to initiate a public housing project for the Town of McLennan - only two households were delimited which would benefit from public housing. Details of various loans programs available through Alberta Housing Corporation should be presented to the Town as an alternative to the request for public housing.

LOCATION, ECONOMIC BASE AND TRADING AREA

The Town of McLennan is located in M.D. 130, approximately 48 miles southeast from Peace River. A survey conducted by the Department of Industry and Tourism in 1969 showed that 17 licensed businesses were located in McLennan with a turnover of $959,900 and employing 32 people. (One manufacturing outlet was also listed with two employees). The value of output was confidential.

The municipality had a program for attracting business with the "quoted" reply being - "fruitless".

The Town is situated on Highway 2A which is paved. It is serviced by the N.A.R. and the Falher Transport Trucking Company. A sodded airport is located here - 2,700 feet in length. The nearest commercial airport was Peace River. The Toronto-Dominion Bank and the Treasury Branch have outlets in this community.

The population trading area in 1961 was listed as 2700; the 1969 estimate was 2550 people. The approximate trading area was listed as:

1.	East	7 miles
2.	West	8 miles
3.	North	18 miles
4.	South	18 miles

POPULATION AND RESIDENTIAL GROWTH

The population has increased slightly over the past decade (Table 1). The projected population for 1981 was 1,141 although this has been surpassed. The population analysis indicates that the Town of McLennan will not grow appreciably unless some unforeseen influence is created.

Table 2 lists the new residential starts from 1960 - 1970. A total of 47 new residences were constructed during this period, with a total value of $339,000. Twenty-three new units were single-family homes; 18 conversions were recorded in 1967. Non-residential building permits amounted to $1,180; the majority of this was accounted for by institutional and government construction.

TABLE 1

POPULATION GROWTH

Year	Population	Year	Population
1960	1,092	1966	1,104
1961	1,078	1967	1,104
1962	1,078	1968	1,144
1963	1,078	1969	1,157
1964	1,078	1970	1,157
1965	1,078	1971	1,157

INDUSTRIAL GROWTH AND BASE

The 1969 survey listed only one manufacturing plant with a total of two employees. The value of output was confidential. The municipality had a program for attracting new businesses, although the apparent results have been negligible. It appears that the industrial growth possibilities are limited at the present time.

FINANCIAL POSITION

a) Current Accounts

Net cash assets were down slightly in 1970 (1969 - $19,994.21; 1970 - $12,408.17). This is partially explained by an increase in the amount of tax arrears from $55,188.80 in 1969 to $60,853.98 in 1970.

TABLE 2

RESIDENTIAL BUILDING PERMITS

Year	Number of Building Permits				Value of Building Permits (Thousands of Dollars)				
	S.F.	Apartment	Conversions	Total	New Resid.	Repair Resid.	Industrial	Commercial	Instit. and Gov.
1960	-	-	-	-	-	3	-	3	25
1961	3	-	-	3	26	3	-	-	-
1962	4	-	-	4	36	6	-	-	-
1963	3	-	-	3	19	12	-	-	-
1964	-	-	-	-	-	1	-	-	-
1965	4	4	-	8	79	-	40	-	600
1966	2	-	-	2	20	13	-	-	414
1967	4	2	18	24	112	2	-	-	26
1968	1	-	-	1	14	7	-	100	-
1969	2	-	-	2	33	5	-	-	-

Total revenue on the current accounts increased from $177,616.28 in 1969 to $190,003.39 in 1970. The General Revenue Fund recorded an operating surplus of $9,045.44 in 1969; a much more favourable position is shown in 1970 with $57,771.62. The Water Supply Fund also had a slight operating surplus.

The amalgamated tax levy was slightly lower in 1970, due essentially to a drop in the property tax revenue (Table 3).

TABLE 3

TAXATION DATA

Amalgamated Tax	1969 (Dollars)	1970 (Dollars)
Real Property	96,028.69	88,787.66
Business	1,609.84	1,340.46
Other	12,351.15	12,232.71
TOTAL	109,989.68	102,360.83

The mill rate remained constant at 80.0 mills. The high mill rate, along with low taxes per capita, indicates that the municipality has only a limited assessment base (Table 4). Furthermore, the equalized assessments schedule for McLennan dropped from $1,107,244 in 1970 to $1,007,160 in 1971 (Table 5).

TABLE 4

MILL RATES

Purpose	Mills (1969)	Mills (1970)
Municipal	31.25	35.5
School Foundation	26.0	32.0
Supplementary School	19.0	8.5
Hospital Benefit	3.75	-
Supplementary Hospital	0	4.0
TOTAL	80.0	80.0

TABLE 5

EQUALIZED ASSESSMENTS

Year	Equalized Assessments (Dollars)	Per Capita (Dollars)	Provincial Average Per Capita (Dollars)
1970	1,107,244	956.99	N.A.
1971	1,007,160	870.49	1,448.12

b) Capital Accounts

The total debenture debt shows a substantial increase during this period (1969 - $184,204.87; 1970 - $243,800.56). An analysis of the debenture debt indicates that the major increase is contained in the municipality's share.

The total per capita debt rose from $159.21 in 1969 to $210.72 in 1970 (Table 6). This rate is not excessively high although it should be noted that this could change rapidly, as is indicated by the 1969 - 1970 trends. The municipality's share of the per capita debt increased from $96.45 in 1969 to $153.94 in 1970.

TABLE 6

DEBENTURE DEBT

Debenture Debt Categories	1969 (Dollars)	Per Capita (Dollars)	1970 (Dollars)	Per Capita (Dollars)
General				
a) Municipality's Share	88,707.87	76.67	159,647.56	137.98
b) Property Owner's Share	53,241.36	46.02	49,402.72	42.70
Public Utilities				
a) Municipality's Share	22,887.40	19.78	18,493.11	15.96
b) Property Owner's Share	19,368.24	16.74	16,257.17	14.05

c) General Considerations

The current debt charges per total current revenues indicates that the proportion has declined during 1969 - 1970 (Table 7). The rate is slightly higher than the provincial average. The maximum debenture which could be financed by the Alberta Municipal Finance Corporation is $57,850.00.

TABLE 7

DEBENTURE DEBT CHARGES
(Interest and Principal)

Debenture Debt Charges	1969 (Dollars)	Percentage of Revenue	1970 (Dollars)	Percentage of Revenue
General	15,995.82	10.38	15,306.52	9.23
Public Utilities	8,637.93	36.81	8,637.92	35.82
TOTAL	24,633.75	13.87	23,944.44	12.60

The general conclusion is that the municipality has only limited financial resources which are already under a substantial burden. Perhaps the most significant observation made from the financial analysis is that the Town has apparently entered a period of stagnation or economic decline since the equalized assessments of the Town are decreasing.

HOUSING SURVEY RESULTS

a) General

The Town of McLennan conducted the housing survey during March - April of 1971. A total of 192 housing questionnaires were completed. Mr. L. J. Lamoureux, Municipal Secretary, stated that an additional 45 households refused to provide the required information. Nine household heads could not be contacted by the surveyor.

A number of items need to be considered in evaluating the survey results:

1. 304 households were listed in the 1966 DBS Census compared to 246 in 1971. It appears that approximately 50 households are not accounted to by the current survey (Appendix - Table II).

2. A high refusal rate (18.3%) deletes from the statistical accuracy of the survey.

3. The survey enumerated 702 persons compared to a total population of 1,157 as determined under the Municipalities Assistance Act.

A summary of the community characteristics are listed in the Appendix. Several of the main patterns to be noted are as follows:

1. A very small proportion of the population is 65 or over (5.5%).

2. Income distribution shows a high number of households having a monthly income in excess of $650.00.

3. Sizeable proportion of renters (30.7%).

4. Relatively small proportion of older dwelling units. (23.3% greater than 30 years old)

5. Average persons per household is comparable to the provincial mean value.

6. 20.1 per cent of the household heads are unemployed or on social assistance.

b) Specific

The survey results did not specify the monthly accommodation costs for the homeowners, which means that an analysis of the proposed public housing tenants has to be confined to the renters. Previous studies have indicated,

however, that renters are more likely to apply for public housing.

The average family size in the rental units was 3.9 people. The age distribution shows 88 people under 15 years of age, 119 people between the ages of 16 and 65, and only two senior citizens. The building period and the income distributions for the renters is listed in the Appendix, Table III.

Several of the main items noted are:

1. Most of the renters are occupying homes which are not very old.
2. 52.5 per cent of the renters had income in excess of $600 per month.
3. 10 families were on social assistance.
4. 2 rental units were occupied by senior citizens.

Only two families would benefit from the public housing program. The details of these families are as follows:

	Family Size	Employed	Monthly Income (Dollars)	House Type	Age of House (Years)	No. of Bdrm.	Rent (excluding utilities) (Dollars)	Rent (public housing) (Dollars)
1.	5	Yes	361	S.D.	28	2	75	80
2.	4	Yes	399	S.F.	33	3	125	95

SUMMARY AND CONCLUSIONS

A review of the housing information for the Town of McLennan indicated that little need exists for public housing. Only two families would benefit from a public housing project. One family would gain financially ($95 rent for public housing compared to $125 existing rent.) The other family was characterized by overcrowded conditions.

A prime factor which precludes more people from being suitable for public housing is the high proportion of families earning in excess of $650 per month. The direct housing loans program recently initiated by the Alberta Housing Corporation appears ideally suited to assist housing conditions in the Town of McLennan. It is recommended that this program be offered as an alternative to public housing.

APPENDIX

TABLE I

FINANCIAL FIGURES

cipality McLennan

Population 1,157

Population 1,157

Population 1,157

		1969 (Dollars)	1970 (Dollars)
1)	Tax Arrears (Taxes Receivable, Balance (Dec. 31)	55,188.80	60,853.98
2)	Net Cash Assets		
	a) General	19,994.21	12,408.17
	b) Water Supply	-	-
	Total	19,994.21	12,408.17
3)	a) General Revenue Fund (Statement of Revenue and Expenditures)		
	i) Surplus Or Deficit	+9,045.44	+57,771.62
	b) Water Supply (General Fund)		
	i) Surplus Or Deficit	+1,021.47	+4,274.44
4)	Total Revenue		
	General	154,150.57	165,886.20
	Water Supply	23,465.71	24,117.19
	Total	177,616.28	190,003.39
5)	Amalgamated Tax		
	a) Real Property	96,028.69	88,787.66
	b) Business	1,609.84	1,340.46
	c) Other	12,351.15	12,232.71
	Total	109,989.68	102,360.83
	Per Capita	95.06	88.47
6)	Mill Rate		
	Municipal	31.25	35.5
	School Foundation	26.	32.

		1969 (Dollars)	1970 (Dollars)
Supplementary School		19	8.5
Hospital Benefit		3.75	1
Supplementary Hospital		-	4
	Total	80.00	80.00

7) Equalized Assessment

a) 1970 1,107,244 Per Capita 956.99

b) 1971 1,077,160 Per Capita 870.49

8) Debenture Debt Charges (Interest & Principal)

a) General		15,995.82	15,306.52
b) Public Utilities		8,637.93	8,637.92
	Total	24,633.75	23,944.44
1) General Debt Charges/Total Revenue	%	10.38	9.23
2) Public Utilities Debt Charges/Total Revenue	%	36.81	35.82
3) Total Debt Charges/Total Revenue	%	13.87	12.60

9) Analysis of Debenture Debt (Principal)

Total		184,204.87	243,800.56
a) Per Capita		159.21	210.72
General			
a) Municipality's Share		88,707.87	159,647.56
	Per Capita	76.67	137.98
b) Property Owner's Share		53,241.36	49,402.72
	Per Capita	46.02	42.70
Public Utilities			
a) Municipality's Share		22,887.40	18,493.11
	Per Capita	19.78	15.96

		1969 (Dollars)	1970 (Dollars)
b) Property Owner's Share		19,368.24	16,257.17
	Per Capita	16.74	14.05
Unmatured Interest			
a) General		93,331.49	194,131.52
b) Public Utilities		8,764.72	7,632.16
	Total	102,096.21	201,763.68
	Per Capita	88.24	174.39

10) AMFC = pop. x $50/capita — 57,850

= 1,157 x $50/capita

TABLE II

McLENNAN POPULATION STATISTICS 1966
DISTRICT 814
ENUMERATION AREA 468

AGE DISTRIBUTION

TOTAL POPULATION: 1,179

E.A.	Total Male	Total Female	M 0 - 19	F 0 - 19	M 20 - 64	F 20 - 64	M Over 65	F Over 65
468	606	573	285	279	270	256	51	38

HOUSEHOLD STATUS

E.A.	S.D.	S.A.	D.H.	O	Apt.	Dup.	O	Mob.	O	R
468	229	9	2	7	31	19	12	35	222	82

HOUSEHOLD TYPE

E.A.	Total	0	1	2
468	304	50	249	5

TABLE III

SURVEY RESULTS

HOUSEHOLD CHARACTERISTICS

Head of Household		Status				
Male	Female	Single	Married	Divorced	Separated	Widowed
170	22	11	161	2	6	12

AGE DISTRIBUTION

Under 15	15 - 65	Over 65	Total
290	373	39	702

Average Persons Per Household - 3.66

EMPLOYMENT

Full Time	Part Time	Social Assistance	Retired	Unemployed
128	16	10	21	17

INCOME DISTRIBUTION

Income (Dollars)	Households	Income (Dollars)	Households
Under 350	61	500 - 649	40
350 - 499	20	Over 650	68

cont'd. . . .

CONTINUATION OF SURVEY RESULTS

HOUSEHOLD STATUS

Renters	Owners
59	133

TYPE OF HOME

Single Family	Apartment	Duplex	Mobile	Basement Suite	Single Detached	Unknown
161	18	1	6	3	2	1

AGE OF BUILDING

Age (in years)	Number
Under 10	31
10 - 29	114
30 - 49	44
Over 50	--

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